

MOTION BY SUPERVISOR ZEV YAROSLAVSKY

February 21, 2012

On June 29, 2011, ABx1 26 was enacted into law dissolving redevelopment agencies (hereinafter "RDAs") throughout the state of California effective October 1, 2011. The constitutionality of ABx1 26 was upheld by the state supreme court in *California Redevelopment Association v. Matosantos*, but the dissolution of RDAs was postponed by the court's decision to February 1, 2012. As a result, state law now requires successor agencies to wind down the affairs of the dissolved redevelopment agencies.

The County of Los Angeles did not opt out of serving as successor agency to the redevelopment agency functions of the Community Development Commission and, therefore, by operation of law, effective February 1, 2012, the County assumed responsibility as successor agency of those CDC functions.

These responsibilities include the following:

- Prepare and submit to its oversight board a Recognized Obligation Payment Schedule (ROPS) for each six month period of each fiscal year;
- Make payments on enforceable obligations according to the ROPS;
- Maintain reserves in the amount required by indentures and perform obligations required pursuant to any enforceable obligation;

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- Remit unencumbered balances of the former RDA funds to the County Auditor-Controller for distribution to the taxing entities;
- Dispose of the former RDA's assets and properties expeditiously and in a manner that will maximize value, as the proceeds will be distributed to the taxing entities;
- Enforce all former RDA rights for the benefit of the taxing entities, including the collection of loans, rents, and other revenues that are due to the former RDA;
- Effectuate the transfer of housing functions and assets to the Housing Authority of Los Angeles County;
- Expeditiously wind down the affairs of the former RDA;
- Continue to oversee development of properties until the contracted work has been completed or the contractual obligations of the former RDA can be transferred to other parties;
- Prepare a proposed administrative budget and submit it to the oversight board for its approval;
- Perform obligations required pursuant to any enforceable obligation; and
- Provide administrative cost estimates, from its approved administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund, to the County auditor-controller for each six-month fiscal period.

Notwithstanding the dissolution of redevelopment agencies in California, the CDC continues to function for other, non-redevelopment, purposes of community development delegated to it by the Board of Supervisors. As a result of this general community development experience, and familiarity with redevelopment practices in particular, CDC employees possess certain expertise necessary to carrying out the successor agency responsibilities listed above.

Under the authority provided by the Master Agreement between the CDC and the County of Los Angeles, which was entered into on June 23, 1983, the County may

delegate the administration of various programs to the CDC. Given the expertise described above, and in order to maximize operational efficiency, the Chief Executive Officer of the County of Los Angeles has recommended that the County delegate administration of the County's responsibilities as successor agency to the CDC. The CEO's recommendation, and a resolution delegating such responsibility, is before the Board of Supervisors today. To effectuate this recommendation, that resolution will have to be approved by the Board of Supervisors under a separate item, and the CDC will have to accept the delegation.

I, THEREFORE, MOVE that the Board, acting as the Commissioners of the Community Development Commission:

- Accept delegation of administrative authority to carry out the tasks of the successor agency for the County's former redevelopment agency, which was dissolved under the provisions of ABx1 26.

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